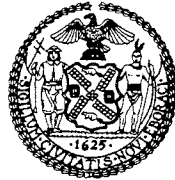


Staff: Todd M. Turner,
Counsel Committee on
Economic Development



T H E C O U N C I L

REPORT OF THE INFRASTRUCTURE DIVISION
MARY MASTROPAOLO, DIRECTOR

COMMITTEE ON ECONOMIC DEVELOPMENT

March 29, 2001

Oversight Hearing: 2 Columbus Circle

On Thursday March 29, 2001 the Committee on Economic Development, chaired by Council Member Jerome X. O'Donovan, is conducting an oversight hearing on the status of development plans for 2 Columbus Circle. While the Committee on Economic Development has conducted several hearings on the development of the New York Coliseum in the Columbus Circle area, this is the first hearing on 2 Columbus Circle directly. The Council's Land Use Committee did conduct a hearing on 2 Columbus Circle on January 15, 1998.

Invited to testify at the hearing are Michael Carey,
President of the N.Y.C. Economic Development Corporation

(E.D.C.), various elected officials and representatives civic and community based organizations.

Background

2 Columbus Circle ("2 CC"), located on the block bounded by Broadway, West 58th Street, Eight Avenue and Central Park, has a long distinguished history in the affairs of New York City. The ten-story marble block building, has the distinctive pierced string of circular windows, was commissioned by Huntington Harford, a collector of 19th and 20th Century paintings, and built by Edward Durell Stone. The Huntington Harford Gallery of Modern Art opened in 1964 and operated until 1975. The property was later purchased by Gulf and Western Industries & its Foundation.

In 1978 the Gulf and Western Foundation by indenture sought to transfer 2 CC to the City of New York with certain restrictions, including that the premises be "used solely by the City" as its "principal public facility for visitor services and cultural affairs". In 1980 the Board of Estimate approved the conveyance of 2 CC to the City of New York with the 1978 indenture.¹

The N.Y.C. Department of Cultural Affairs occupied 2 CC from 1978 to 1997 and the New York City Convention and Visitors Bureau

1 Cal. No. 87, February 21, 1980.

occupied 2 CC from 1978 to 1998.

In 1996 the deed for 2 CC was transferred from the Viacom Foundation² to the N.Y.C. Economic Development Corporation subject to the 1978 indenture and a 1994 term sheet between the parties.³

City's Request for Proposals

Upon transfer of 2 CC to the N.Y.C. Economic Development Corporation, E.D.C. issued a Request for Proposals (RFP) in July 1996 with responses due by October 22, 1996. The goal of the RFP was to dispose of the property to a private developer in a way that complements other development at Columbus Circle.⁴ According to published reports, E.D.C. received approximately 10-15 responses to the RFP and by November 1998 had narrowed the selection to two proposals, Dahesh Museum and the Trump Organization.⁵

However, in March 1999 E.D.C. issued a second Request for Proposal for 2 CC with a response date of May 2, 2000. According to published reports, E.D.C. wanted to see if the recent \$1.6

² Viacom Foundation was the successor to Paramount Foundation, which was the successor to the Gulf & Western Foundation.

³ Memo of David Klasfeld, Office of the Mayor, to Gail Benjamin, N.Y.C. Council, July 17, 1997.

⁴ Testimony of Michael Carey, First Executive Vice President, N.Y.C. E.D.C., Committee on Land Use, January 15, 1998.

⁵ "An Effort to Preserve A Monolith", Daniel J. Wakin, *New York Times*, B Section, Page 2, April 15, 2000.

billion Columbus Centre proposal for the New York Coliseum had changed the market for the site.⁶ To date, no additional determination has been made as to the developer or proposal selected. As of August 2000, E.D.C. was still reviewing the proposals received and seeking clarification from those who responded.⁷

Conclusion

On March 19, 2001 Mayor Guiliani announced that he had reconvened his Columbus Circle Advisory Panel to review plans for the redesign of Columbus Circle, "I am asking my Advisory Panel to advise me with regard to the process and proposals for the design of the plaza, as well as to coordinate with the Economic Development Corporation to review proposals relating to the best use for the property at Two Columbus Circle."⁸

Today's hearing will explore status of development of the site, maintenance and operation at the site and the impact of the surrounding community.

6 "On Columbus Circle, Hints to End to an Enigma", David W. Dunlap, *New York Times*, B Section, Page 3, March 7, 2000.

7 Letter from Michael Carey, President, E.D.C. to Council Member Eldridge, August 2, 2000.

8 Mayor's Press Release, #080-01, March 19, 2001; See also *New York Times*, B Section, Metro Briefing, March 20, 2001.